



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-489-819

Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination Final Affirmative Critical Circumstances Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey). For more information, *see* the “Suspension of Liquidation” section of this notice.

DATES: Effective Date: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, Office III, AD/CVD

Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793.

SUPPLEMENTARY INFORMATION:

Background

The Petitioner in this investigation is the Rebar Trade Action Coalition.<sup>1</sup> In addition to the Government of Turkey, the mandatory respondents in this investigation are Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas) and Icdas Celik Enerji Tersane ve Ulasim Sanayi

---

<sup>1</sup> The members are Nucor Corporation, Gerdau Ameristeel US Inc., Commercial Metals Company, Cascade Steel Rolling Mills, Inc., and Byer Steel Corporation.

A.S. (Icdas). The period of investigation (POI), for which we are measuring subsidies, is January 1, 2012, through December 31, 2012.

### Case History

The events that occurred since the Department published the *Preliminary Determination* on February 26, 2014,<sup>2</sup> are discussed in the Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey” (Issues and Decision Memorandum), which is dated concurrently with and hereby adopted by this notice.

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Final Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

### Scope of the Investigation

The merchandise subject to this investigation is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The

---

<sup>2</sup> See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Negative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination, and Alignment of Final Determination With Final Antidumping Determination*, 79 FR 10771 (February 26, 2014) (*Preliminary Determination*).

subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test. HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.

#### Critical Circumstances

Pursuant to section 705(a)(2) of the Tariff Act of 1930, as amended (the Act), the Department determines that critical circumstances exist for imports of rebar from Turkey for the “all other” companies. Although we determine that Habas and Icdas benefited from programs that are inconsistent with the Subsidies Agreement, the companies’ shipment data do not indicate a massive increase in shipments of subject merchandise to the United States. The shipment data, however, indicate a massive increase in shipments of subject merchandise by the “all other” companies. Therefore, we determine that critical circumstances exist with regard to imports of rebar from Turkey by companies subject to the all others rate. For further information on the Department’s critical circumstances analysis, *see* the Issues and Decision Memorandum.

#### Methodology

The Department is conducting this countervailing duty (CVD) investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

### Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of subsidy programs and the issues that parties raised, and to which the Department responded in the Issues and Decision Memorandum, is attached as an appendix to this notice.

### Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we calculated a countervailable subsidy rate for each individually investigated producer/exporter of the subject merchandise. Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will determine an “all others” rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any *de minimis* countervailable subsidy rates. In this investigation, the only non-*de minimis* rate is the rate calculated for Icdas. Consequently, the rate calculated for Icdas is assigned as the “all others” rate.

We determine the total estimated net countervailable subsidy rates to be:

<b>Company</b>	<b>Subsidy Rate</b>
Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.	0.74 percent ( <i>de minimis</i> )
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.	1.25 percent
All Others	1.25 percent

Because the *Preliminary Determination* was negative, we did not instruct U.S. Customs and Border Protection (CBP) to suspend entries of subject merchandise. In accordance with sections 705(c)(1)(C) of the Act, we are now directing CBP to suspend liquidation of and to require the posting of a cash deposit on all imports of the subject merchandise from Turkey, other than those produced and exported by Habas because Habas’ rate is *de minimis*, that are

entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. The suspension of liquidation will remain in effect until further notice.

Additionally, as a result of this final affirmative determination of critical circumstances for “all other” companies, we are instructing CBP to suspend liquidation of all entries of subject merchandise from those producers/exporters of rebar from Turkey, which were entered or withdrawn from warehouse for consumption 90 days prior to the date of publication of this notice in the *Federal Register*, pursuant to section 703(e)(2) of the Act.

As our final determination is affirmative and our preliminary determination was negative, in accordance with section 705(b)(3) of the Act, the U.S. International Trade Commission (ITC) will determine within 75 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. We will issue a CVD order if the ITC issues a final affirmative injury determination. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

#### ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it

will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice serves as the only reminder to parties subject to APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act and 19 CFR 351.210(c).

Date: September 8, 2014

---

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

## Appendix - List of Topics Discussed in the Issues and Decision Memorandum

1. **Summary**
2. **Background**
3. **Scope Comments**
4. **Scope of the Investigation**
5. **Critical Circumstances**
6. **Subsidies Valuation**
7. **Analysis of Programs**
  - A. Programs Determined To Be Countervailable
    1. Provision of Natural Gas for Less Than Adequate Remuneration (LTAR)
    2. Provision of Lignite for LTAR
    3. Rediscount Program
    4. Deductions from Taxable Income for Export Revenue
  - B. Program Determined Not To Confer a Benefit During the POI
    1. Research and Development Grant Program
  - C. Programs Found Not To Be Used
    1. Export Credits, Loans and Insurance from Turk Eximbank
      - a. Pre-Shipment Export Credits from Turk Eximbank
      - b. Turk Eximbank's Foreign Trade Company Export Loans
      - c. Turk Eximbank's Pre-Export Credits Program
      - d. Short-term Export Credit Discount Program
      - e. Export Insurance Provided by Turk Eximbank
    2. Regional Investment Incentives
      - a. VAT Exemptions, Customs Duty Exemptions, Income Tax Reductions, and Social Security Support
      - b. Land Allocation
    3. Large-Scale Investment Incentives
      - a. VAT and Customs Duty Exemptions
      - b. Tax Reduction
      - c. Income Tax Withholding Allowance
      - d. Social Security and Interest Support
      - e. Land Allocation
    4. Strategic Investment Incentives
      - a. VAT and Customs Duty Exemptions
      - b. Tax Reductions
      - c. Income Tax Withholding
      - d. Social Security and Interest Support
      - e. Land Allocation
      - f. VAT Refunds
    5. Incentives for Research & Development (R&D) Activities
      - a. Tax Breaks and Other Assistance
      - b. Product Development R&D Support – UFT
    6. Provision of Land for LTAR
    7. Provision of Electricity for LTAR
    8. Withholding of Income Tax on Wages and Salaries

9. Exemption from Property Tax
10. Employers' Share in Insurance Premiums Program
11. Preferential Tax Benefits for Turkish Rebar Producers Located in Free Zones
12. Preferential Lending to Turkish Rebar Producers Located in Free Zones
13. Exemptions from Foreign Exchange Restrictions to Turkish Rebar Producers Located in Free Zones
14. Preferential Rates for Land Rent and Purchase to Turkish Rebar Producers Located in Free Zones

## **8. Analysis of Comments**

- Comment 1: Whether the Department Used an Improper Methodology for Deriving the Benchmark for Purchases of Natural Gas for LTAR
- Comment 2: Whether VAT Should Be Included in the Natural Gas Benchmark
- Comment 3: Whether Sales by Habas to Affiliates Should Be Included in the Sales Denominators
- Comment 4: Whether Corrections to Habas' Natural Gas Purchase Data Collected at Verification Should Be Used for the Final Calculations
- Comment 5: Whether the Department Should Use a Lignite Price to Calculate the Benefit for the Provision of Lignite for LTAR
- Comment 6: Calculation of the Export Revenue Tax Deduction for Icdas
- Comment 7: Whether the Department Unjustly Rejected Petitioner's New Subsidy Allegation
- Comment 8: Whether the Department Failed to Initiate on the GOT's Purchase of Electricity for MTAR

## **9. Recommendation**

**[FR Doc. 2014-21989 Filed 09/12/2014 at 8:45 am; Publication Date: 09/15/2014]**